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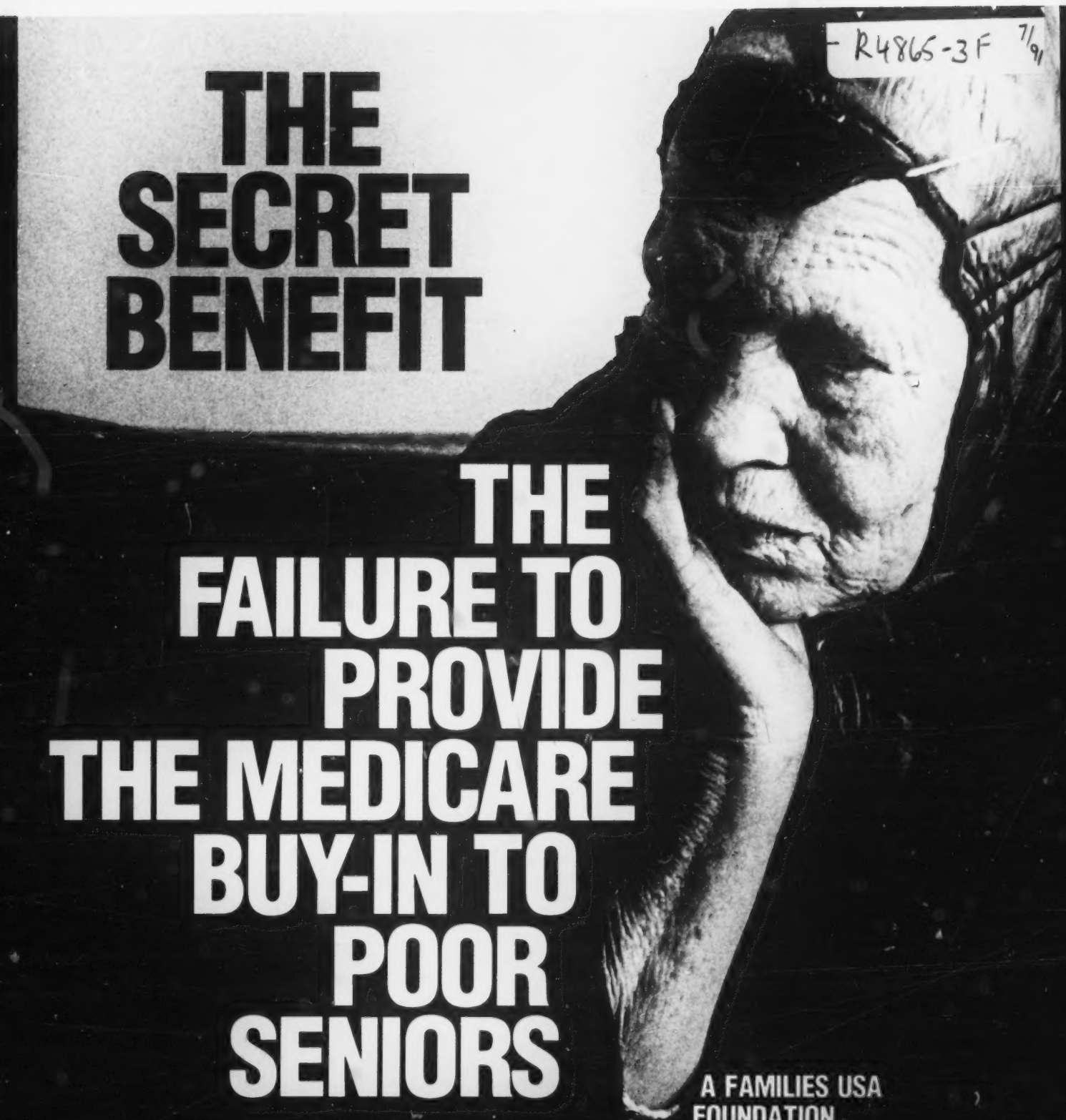
THE SECRET BENEFIT

THE FAILURE TO PROVIDE THE MEDICARE BUY-IN TO POOR SENIORS



A FAMILIES USA FOUNDATION REPORT

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The Secret Benefit

The Failure to Provide the Medicare Buy-in to Poor Seniors

A Report By

Families USA Foundation
1334 G Street, NW
Washington, DC 20005
(202) 628-3030

June 1991

Introduction

The Medicare buy-in is a benefit designed by Congress to protect low-income beneficiaries from heavy Medicare out-of-pocket costs. This report outlines the potential of this benefit; the federal and state governments' failures to make this benefit a reality for poor seniors; and steps that can be taken to ensure that low-income seniors and persons with disabilities get the benefits Congress intended.

As of May 1991, an estimated 2.2 to 2.3 million poor seniors nationwide were eligible for the Medicare "buy-in," also known as the Qualified Medicare Beneficiary (QMB) program, but were not receiving the benefits.[1] Over half the seniors eligible for this benefit are not receiving it. These low-income seniors are very poor: individuals with incomes below $6,620 a year and less than $4,000 in assets, and couples with annual incomes below $8,880 and less than $6,000 in assets.

For these seniors, the federal government continues to deduct Medicare premiums ($29.90 per month for individuals, $59.80 per month for couples) each and every month out of their Social Security checks, even though they are entitled to have those premiums paid by the Medicaid program. These impoverished seniors are also paying substantial portions of their incomes on physician and hospital bills even though by law they are not responsible for these costs.

Background—Medicare Cost-Sharing

The Medicare program requires substantial out-of-pocket payments from beneficiaries. In 1991 these cost-sharing requirements are: the premium for physician coverage (Part B of Medicare), $29.90 per month (or $358.80 per year); the Part B deductible, $100 per year; copayments of 20 percent for all physician charges above the $100 annual deductible; physician costs that exceed Medicare's billable rate[2]; a hospital (Part A) deductible of $628 for each hospitalization; substantial copayments for hospitalizations in excess of 60 days; and substantial copayments for skilled nursing care stays longer than 21 days.

Beneficiary premiums and deductibles have escalated very rapidly in the past decade. A comparison of the 1980 and 1991 costs is illustrative:

	1980	1991	Percentage Increase
Part A Deductible	$ 180.00	$ 628.00	+ 249
Part B Premium	104.40	358.80	+ 244
Part B Deductible	60.00	100.00	+ 67
TOTAL	$ 344.40	$1,086.80	+ 216

Out-of-pocket costs in 1991, for Medicare beneficiaries with one hospitalization, are **at least** $1,086.80—not including the copayments required by Medicare (and also not including the costs of the services uncovered by Medicare, such as prescription drugs, long term care and numerous others). In fact, the Part A deductible and the Part B premium and deductible alone constitute approximately one-sixth of the annual incomes of individuals with incomes below poverty—their entire income for two months.

Recent Congressional Action

Congress has acted in recent years to prevent the extreme financial hardships that such cost-sharing requirements create for low-income beneficiaries. In the Medicare Catastrophic Coverage Act of 1988, Congress required the Medicaid program, beginning in 1989, to "buy-in" to Medicare low-income seniors and persons with disabilities eligible for Medicare.[3] The law required that Medicaid pay the Medicare premiums and deductibles for low-income seniors and persons with disabilities eligible for Medicare, and these low-income persons are not responsible for any out-of-pocket costs for Medicare-covered services.

As of January 1, 1989, Congress required buy-in coverage for Medicare beneficiaries with incomes at or below 85 percent of the federal poverty guideline and resources of up to $4,000 for an individual and $6,000 for a couple (excluding the home, car, personal effects, life insurance and burial spaces).[4] Under the law enacted in 1988, the income eligibility standard for the buy-in increased to 90 percent of the poverty guideline in 1990 and was scheduled to increase to 95 percent of the poverty guideline in 1991 and 100 percent in 1992.

In Fall 1990 when Congress increased Medicare cost-sharing amounts as part of its deficit-reduction package, Congress also acted to protect low-income beneficiaries from these increases. Congress accelerated the buy-in requirement for all poor Medicare beneficiaries with limited resources to 1991, rather than 1992, and added buy-in requirements for Medicare beneficiaries with incomes up to 110 percent of the poverty guideline in 1993 and 120 percent of the poverty guideline in 1995. Medicare beneficiaries with incomes between 100 and 120 percent of the poverty guideline will be eligible for Medicaid payment of Medicare premiums, but not for Medicaid payment of other Medicare cost-sharing.

The Medicare buy-in also provides protection for the relatively small number of seniors and persons with disabilities who did not work long enough to qualify for hospital coverage under Part A of Medicare. For individuals without a sufficient work history, Medicare hospital coverage is only available if they pay a monthly premium of $177 -- an amount that is unaffordable for the poor. The law requires Medicaid to buy low-income seniors and persons with disabilities into Medicare Part A. This is an important benefit -- even for those who previously qualified for Medicaid coverage. Medicare hospital benefits are sometimes more comprehensive than Medicaid hospital benefits because some states impose strict limits on the number of hospital days

covered under Medicaid.[5] In addition, the Medicare payment rate is often more generous than Medicaid hospital payment rates, and Medicare therefore offers better access to hospitals.

Keeping The Buy-In Benefits A Secret

The federal and state governments have kept the Medicare buy-in benefits a secret. Impoverished Medicare beneficiaries, who previously were ineligible for or did not receive Medicaid, have no way of knowing about the buy-in. They have no way of knowing that their Social Security checks are wrongfully being deducted by $29.90 per month (or $59.80 for couples). They have no way of knowing that they do not have to pay the $628 deductible for each hospitalization. And they have no way of knowing that they do not have to pay the $100 physician care deductible, or the various other copayments they may be making.

In the Spring of 1988, Families USA Foundation issued a report that was critical of the federal and state governments' implementation of the buy-in legislation. (At the time that report was issued, the buy-in eligibility requirement was 85 percent of poverty -- not the 100 percent of poverty standard required in 1991.) In response to that report, the federal government, in July 1988, sent a notice informing Social Security beneficiaries that they may be eligible for buy-in assistance. Since that time, the income eligibility for the benefit has increased significantly, but the federal government has refused to send any additional notices -- and has failed to initiate any other outreach to low-income eligible persons.

Nationally 2.2 to 2.3 million poor seniors are without the buy-in benefits to which they are entitled and are paying Medicare costs that they should not have to pay. Their Social Security checks are also being wrongfully deducted by $29.90 each month. (The 2.2 to 2.3 million estimate is a range rather than a precise figure because it is not possible to determine the exact number of Medicaid beneficiaries whose incomes fall below the poverty guideline.) Table 1 provides national and state-by-state estimates.

- *The following states have the highest potential numbers of poor seniors eligible for buy-in benefits but not receiving them: California (225,453); New York (161,765); Florida (135,459); Texas (131,613); Georgia (130,011); Pennsylvania (125,588); North Carolina (123,009); Illinois (102,415); Ohio (101,534); and Michigan (83,615).*

- *The following states have the highest potential percentages of poor seniors eligible for buy-in benefits but not receiving them: Alaska (98%); California (89%); Hawaii (87%); Kansas (85%); Indiana (80%); Michigan (75%); Rhode Island (75%); Ohio (73%); North Dakota (73%); Nebraska (71%); and the District of Columbia (71%).*

The estimates in Table 1 were derived by comparing estimates of poor elderly persons eligible for the buy-in who are living in the community with comparable estimates of the numbers of poor seniors with buy-in benefits. The estimates of poor seniors with buy-in benefits are based on state-by-state numbers of buy-ins provided by the Health Care Financing Administration. (See the Technical Appendix for a complete explanation of the estimates.)

Table 2 presents information from the Health Care Financing Administration on the numbers of poor seniors and persons with disabilities who are getting Medicare hospital (Part A) buy-in benefits. There are approximately 138,000 such persons. However, the Health Care Financing Administration can identify approximately 529,000 seniors and persons with disabilities nationwide who do not have Medicare hospital benefits but are receiving Medicaid. Hence, approximately 391,000 readily identifiable persons are not being bought-in to Medicare hospital coverage.

The first appendix, Estimates of Elderly Poor Persons Without Medicaid or Buy-in Benefits, presents the data on buy-in participation from a slightly different perspective. The table in this appendix looks at the percentage of poor seniors not receiving Medicaid who are eligible for the buy-in. This was the group most explicitly targeted by Congress for buy-in protection. As the table illustrates, three out of four (74 to 75 percent) of these eligibles are not receiving their entitlements.

Getting The Benefit To Poor Seniors

The federal and state governments, which have joint responsibility for administering Medicaid and the Medicare buy-in, can take a number of steps to ensure that low-income Medicare beneficiaries receive their buy-in benefits. These include:

- **Notification**

The Department of Health and Human Services (HHS) must assume responsibility for identifying beneficiaries eligible for the buy-in. HHS should send notices to low-income Social Security beneficiaries informing them of the buy-in benefit, eligibility criteria, how to get additional information, and how to apply. Such notices should be designed to attract the attention of the reader. Similar information should go to new Social Security beneficiaries as they apply for Social Security benefits. The federal government should also send a notice to all low-income Social Security beneficiaries toward the end of each year when beneficiaries are sent a notice announcing the Part B premium for the next calendar year.

HHS should design a notice that is sent periodically to low-income Social Security beneficiaries that asks beneficiaries to return a completed form. The completed form should be designed to enable HHS to determine whether the individual is likely to be eligible for the buy-in. HHS should then follow up with the beneficiary

to get the information necessary to make an actual eligibility determination, or should arrange for such follow-up with the appropriate state.

HHS should also seek out and provide buy-in benefits to the very low-income persons who are not getting any Social Security benefits. The Social Security Administration (SSA) is currently supporting a number of efforts to improve participation in the Supplemental Security Income cash benefit program for seniors and persons with disabilities. These kinds of efforts should be used to make sure that eligible persons get buy-in benefits as well.

- **Take Applications at Social Security Offices**

Thirty states currently contract with the Social Security Administration to determine eligibility for Medicaid. (The contracts are known as "Section 1634 agreements" because they are authorized by Section 1634 of the Social Security Act.) In these cases, low-income seniors and persons with disabilities can apply for Medicaid at the same time as they apply for SSI. In states where SSI beneficiaries have to apply separately for Medicaid benefits, a significant number do not do so. In the past, the Social Security Administration refused to allow Section 1634 agreements to cover applications for the buy-in. This means that, even in states where Social Security offices take applications from seniors and persons with disabilities applying for SSI and Medicaid, they cannot accept applications for the buy-in.

Medicare beneficiaries are accustomed to applying for Social Security benefits at Social Security offices. Taking buy-in applications at Social Security offices is likely to increase participation in the buy-in very significantly, both for new and current Social Security beneficiaries.

- **Providers Distribute Applications**

The most critical time to provide information about buy-in assistance is at the time a beneficiary incurs, or is about to incur, medical expenses -- at a doctor's office or in a hospital. Physicians and hospitals that treat Medicare patients should be required to inform beneficiaries about the buy-in and how to apply. Hospitals, in particular, have staff that can assist beneficiaries with the application process.

- **Part A Enrollment**

The Health Care Financing Administration (HCFA) can identify almost 400,000 individuals who do not have Medicare hospitalization benefits and are entitled to have Medicaid pay their premiums.[6] There is no excuse for not providing these individuals with the benefits to which they are entitled. HHS has insisted that individuals must submit the necessary applications themselves. Instead, HHS should enroll these individuals in Part A and bill the Medicaid program for the premiums. The Social

Security Administration should allow states to enroll poor seniors and persons with disabilities in Medicare Part A just as the states do with Part B.

- **Retroactivity**

Millions of poor seniors and persons with disabilities should not suffer financial hardship when they had no way of knowing that they were entitled to assistance. In conjunction with an aggressive notification effort, buy-in benefits should be provided retroactively to poor beneficiaries from the date of their eligibility. This is especially important for beneficiaries who incurred major medical expenses that should have been covered by the buy-in.

Endnotes

1. Persons with disabilities eligible for Medicare who are poor are also entitled to buy-in benefits. It is not possible, however, to reliably estimate the number who are not getting benefits.

2. As of 1991 physicians may charge Medicare beneficiaries up to 140 percent of the Medicare allowed charge, and the beneficiary is solely responsible for the additional 40 percent of the charge.

3. Congress repealed most of the Medicare Catastrophic Coverage Act in 1989 but left in place the provisions requiring financial protection from Medicare out-of-pocket costs for low-income Medicare beneficiaries.

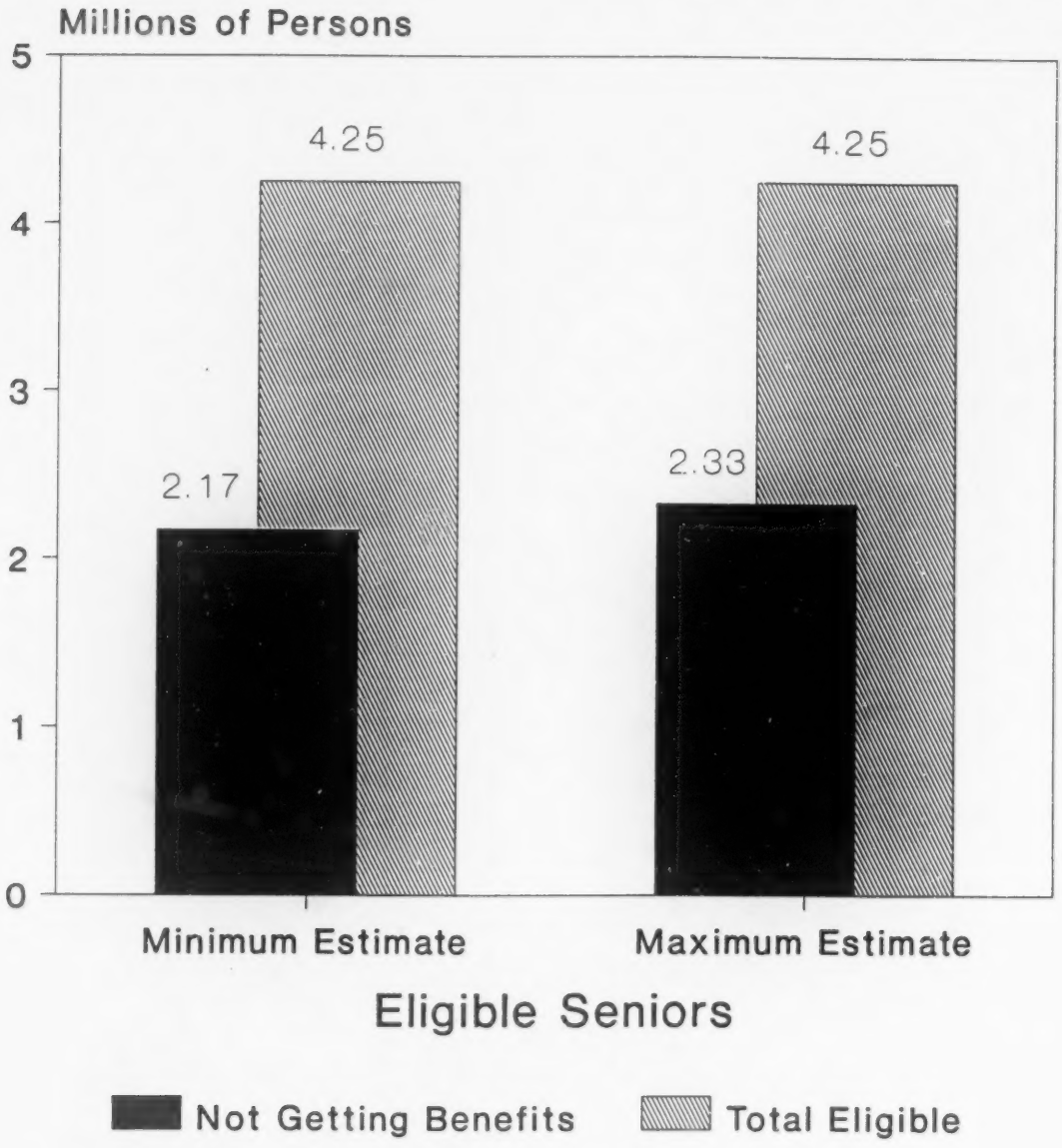
4. The law allowed six states, known as 209(b) states, to use an income eligibility standard five percent lower than the national standard for four years. As of 1991, four states (Illinois, Indiana, North Carolina and Ohio) set the income eligibility standard for the buy-in at 95 percent of the poverty guideline. These states are required to use an income eligibility standard for the buy-in of 100 percent of the poverty guideline as of January 1, 1992.

5. In the following states Medicaid hospitalization benefits are more limited than Medicare hospitalization benefits according to the latest state plan information in Commerce Clearing House's, **Medicare and Medicaid Guide**: Alabama, Arkansas, Idaho, Kentucky, Louisiana, Mississippi, Ohio, Oklahoma, Oregon, Tennessee, Texas, Virginia and West Virginia.

6. These are individuals whom Medicaid is buying into Part B and are identified as having no other insurance, i.e. Medicare Part A.

THE SECRET BENEFIT

Poor Seniors Without Buy-in Benefits



Source: Families USA Foundation

TABLE 1

ELDERLY POOR PERSONS WITHOUT MEDICAID BUY-IN BENEFITS

	Number of Non-Institutionalized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionalized Buy-Ins[1]		Number of Eligible Non-Institutionalized Seniors Without Buy-In Benefits		Percent of Eligible Non-Institutionalized Seniors Without Buy-In Benefits	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
UNITED STATES	4,246,363	1,915,811	2,076,846	2,169,517	2,330,552	51%	55%
Alabama	130,748	78,952	78,952	51,796	51,796	40%	40%
Alaska	3,526	81	81	3,445	3,445	98%	98%
Arizona	42,481	28,867	28,867	13,614	13,614	32%	32%
Arkansas	90,755	33,758	35,723	55,032	56,997	61%	63%
California	252,741	27,288	27,288	225,453	225,453	89%	89%
Colorado	34,403	19,190	19,190	15,213	15,213	44%	44%
Connecticut	43,789	19,000	19,000	24,789	24,789	57%	57%
Delaware	10,428	3,201	3,201	7,227	7,227	69%	69%
District of Columbia	15,824	4,579	7,088	8,736	11,245	55%	71%
Florida	231,401	95,942	122,427	108,974	135,459	47%	59%
Georgia	188,987	58,976	58,976	130,011	130,011	69%	69%
Hawaii	21,839	2,934	7,815	14,024	18,905	64%	87%
Idaho	12,606	4,616	4,616	7,990	7,990	63%	63%
Illinois	172,994	70,579	70,579	102,415	102,415	59%	59%
Indiana	64,968	13,190	20,633	44,335	51,778	68%	80%

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	Number of Non-Institutionalized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionalized Buy-Ins[1]		Number of Eligible Non-Institutionalized Seniors Without Buy-In Benefits		Percent of Eligible Non-Institutionalized Seniors Without Buy-In Benefits	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Iowa	41,300	15,648	16,366	24,934	25,652	60%	62%
Kansas	38,927	5,837	9,127	29,800	33,090	77%	85%
Kentucky	90,278	57,535	57,535	32,743	32,743	36%	36%
Louisiana	106,048	67,285	67,285	38,763	38,763	37%	37%
Maine	22,209	18,650	18,650	3,559	3,559	16%	16%
Maryland	67,875	38,547	38,547	29,328	29,328	43%	43%
Massachusetts	77,152	32,168	32,168	44,984	44,984	58%	58%
Michigan	111,016	27,401	40,467	70,549	83,615	64%	75%
Minnesota	55,718	31,763	31,763	23,955	23,955	43%	43%
Mississippi	105,243	67,633	67,633	37,610	37,610	36%	36%
Missouri	99,030	53,648	53,648	45,382	45,382	46%	46%
Montana	10,601	3,400	3,808	6,793	7,201	64%	68%
Nebraska	26,175	7,523	7,523	18,652	18,652	71%	71%
Nevada	10,880	6,948	6,948	3,932	3,932	36%	36%
New Hampshire	9,564	3,109	3,109	6,455	6,455	67%	67%
New Jersey	130,675	76,457	76,457	54,218	54,218	41%	41%
New Mexico	30,138	18,118	18,118	12,020	12,020	40%	40%

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	Number of Non-Institutionalized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionalized Buy-Ins[1]		Number of Eligible Non-Institutionalized Seniors Without Buy-In Benefits		Percent of Eligible Non-Institutionalized Seniors Without Buy-In Benefits	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
New York	364,458	202,693	202,693	161,765	161,765	44%	44%
North Carolina	179,140	56,131	87,446	91,694	123,009	51%	69%
North Dakota	12,444	3,416	3,416	9,028	9,028	73%	73%
Ohio	138,551	37,017	61,000	77,551	101,534	56%	73%
Oklahoma	65,327	50,629	50,629	14,698	14,698	22%	22%
Oregon	32,982	15,910	15,910	17,072	17,072	52%	52%
Pennsylvania	219,293	93,705	93,705	125,588	125,588	57%	57%
Rhode Island	18,405	4,607	5,064	13,341	13,798	72%	75%
South Carolina	90,879	48,676	48,676	42,203	42,203	46%	46%
South Dakota	14,284	6,716	6,716	7,568	7,568	53%	53%
Tennessee	159,594	88,902	88,902	70,692	70,692	44%	44%
Texas	323,519	191,906	191,906	131,613	131,613	41%	41%
Utah	13,577	4,575	5,861	7,716	9,002	57%	66%
Vermont	8,023	6,611	6,611	1,412	1,412	18%	18%
Virginia	105,832	49,183	54,986	50,846	56,649	48%	54%
Washington	37,251	20,967	37,251	0	16,284	0%	44%
West Virginia	52,393	21,156	21,156	31,237	31,237	60%	60%

TABLE 1

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	Number of Non-Institutionalized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionalized Buy-Ins[1]		Number of Eligible Non-Institutionalized Seniors Without Buy-In Benefits		Percent of Eligible Non-Institutionalized Seniors Without Buy-In Benefits	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Wisconsin	55,310	18,073	39,217	16,093	37,237	29%	67%
Wyoming	4,782	2,114	2,114	2,668	2,668	56%	56%

1. Ranges are presented because it is not possible to know which non-cash Medicaid recipients in states that buy-in these persons have income less than the poverty guideline. The range represents participation rates excluding all non-cash eligibles ("Minimum"), which assumes that all non-cash eligibles have income greater than the poverty guideline, and participation rates including all non-cash eligibles that states buy-in ("Maximum"). To "exclude" these two groups from the estimates of buy-ins, the percent of elderly non-institutionalized Medicaid recipients who receive payments on the basis of Medical Need and other non-cash eligibles who spend-down were calculated and subtracted from the buy-ins on a state-by-state basis.

SOURCES: See Technical Appendix.

TABLE 2

SENIORS AND PERSONS WITH DISABILITIES WITHOUT MEDICARE HOSPITALIZATION BENEFITS (PART A)

	Number Eligible for Part A Buy-In[1]	Number of Part A Buy-Ins	Number Not Receiving Part A Benefits[1]
UNITED STATES	528,547	137,762	390,785
Alabama		780	
Alaska		349	
Arizona		14	
Arkansas		4,913	
California		6,044	
Colorado		20	
Connecticut		301	
Delaware		0	
District of Columbia		577	
Florida		40,004	
Georgia		11,923	
Hawaii		567	
Idaho		297	
Illinois		1,605	
Indiana		2,744	
Iowa		753	
Kansas		51	
Kentucky		447	
Louisiana		3,574	
Maine		1	
Maryland		2	
Massachusetts		7,681	
Michigan		12	
Minnesota		1,724	

TABLE 2

SENIORS AND PERSONS WITH DISABILITIES WITHOUT MEDICARE HOSPITALIZATION BENEFITS (PART A)

	Number Eligible for Part A Buy-In[1]	Number of Part A Buy-Ins	Number Not Receiving Part A Benefits[1]
Mississippi		266	
Missouri		275	
Montana		290	
Nebraska		1	
Nevada		593	
New Hampshire		0	
New Jersey		184	
New Mexico		0	
New York		10	
North Carolina		300	
North Dakota		0	
Ohio		133	
Oklahoma		5,659	
Oregon		6	
Pennsylvania		13,179	
Rhode Island		1,303	
South Carolina		3	
South Dakota		656	
Tennessee		9,281	
Texas		13,887	
Utah		27	
Vermont		0	
Virginia		296	
Washington		13	
West Virginia		3,818	

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SENIORS AND PERSONS WITH DISABILITIES WITHOUT MEDICARE HOSPITALIZATION BENEFITS (PART A)

	Number Eligible for Part A Buy-In[1]	Number of Part A Buy-Ins	Number Not Receiving Part A Benefits[1]
Wisconsin		3,042	
Wyoming		157	

1. Data not available on a state level basis.

SOURCE: Health Care Financing Administration, Bureau of Data Management and Strategy, May 29, 1991.

Estimates of Elderly Poor Persons Without Medicaid or Buy-in Benefits

TABLE 3

ESTIMATES OF ELDERLY POOR PERSONS WITHOUT MEDICAID OR BUY-IN BENEFITS

	Number of Non-Institutionlaized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionlaized Poor Seniors Eligible for Buy-In and Not Receiving Medicaid[1]		Number of Non-Institutionlaized Seniors Receving Buy-In Benefits Only	Percent of Eligible Non-Institutionlaized Seniors Without Medicaid or Buy-In Benefits	
		Minimum	Maximum		Minimum	Maximum
UNITED STATES	4,246,363	2,941,183	3,102,218	771,666	74%	75%
Alabama	130,748	66,188	66,188	14,392	78%	78%
Alaska	3,526	3,445	3,445	0	100%	100%
Arizona	42,481	15,351	15,351	1,737	89%	89%
Arkansas	90,755	58,720	60,685	3,688	94%	94%
California	252,741	252,741	252,741	27,288	89%	89%
Colorado	34,403	30,269	30,269	15,056	50%	50%
Connecticut	43,789	33,868	33,868	9,079	73%	73%
Delaware	10,428	7,719	7,719	492	94%	94%
District of Columbia	15,824	8,805	11,314	69	99%	99%
Florida	231,401	108,974	135,459	0	100%	100%
Georgia	188,987	153,465	153,465	23,454	85%	85%
Hawaii	21,839	14,713	19,594	689	95%	96%
Idaho	12,606	12,606	12,606	4,616	63%	63%
Illinois	172,994	172,994	172,994	70,579	59%	59%
Indiana	64,968	57,525	64,968	13,190	77%	80%
Iowa	41,300	40,582	41,300	15,648	61%	62%

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ESTIMATES OF ELDERLY POOR PERSONS WITHOUT MEDICAID OR BUY-IN BENEFITS

	Number of Non-Institutionlaized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionlaized Poor Seniors Eligible for Buy-In and Not Receiving Medicaid[1]		Number of Non-Institutionlaized Seniors Receving Buy-In Benefits Only	Percent of Eligible Non-Institutionlaized Seniors Without Medicaid or Buy-In Benefits	
		Minimum	Maximum		Minimum	Maximum
Kansas	38,927	35,637	38,927	5,837	84%	85%
Kentucky	90,278	49,280	49,280	16,537	66%	66%
Louisiana	106,048	52,465	52,465	13,702	74%	74%
Maine	22,209	9,412	9,412	5,853	38%	38%
Maryland	67,875	67,875	67,875	38,547	43%	43%
Massachusetts	77,152	61,718	61,718	16,734	73%	73%
Michigan	111,016	70,549	83,615	0	100%	100%
Minnesota	55,718	50,442	50,442	26,487	47%	47%
Mississippi	105,243	37,610	37,610	0	100%	100%
Missouri	99,030	85,467	85,467	40,085	53%	53%
Montana	10,601	9,614	10,022	2,821	71%	72%
Nebraska	26,175	18,652	18,652	0	100%	100%
Nevada	10,880	10,880	10,880	6,948	36%	36%
New Hampshire	9,564	7,191	7,191	736	90%	90%
New Jersey	130,675	116,539	116,539	62,321	47%	47%
New Mexico	30,138	14,082	14,082	2,062	85%	85%
New York	364,458	180,613	180,613	18,848	90%	90%

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	Number of Non-Institutionlaized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionlaized Poor Seniors Eligible for Buy-In and Not Receiving Medicaid[1]		Number of Non-Institutionlaized Seniors Receving Buy-In Benefits Only	Percent of Eligible Non-Institutionlaized Seniors Without Medicaid or Buy-In Benefits	
		Minimum	Maximum		Minimum	Maximum
North Carolina	179,140	147,825	179,140	56,131	62%	69%
North Dakota	12,444	9,028	9,028	0	100%	100%
Ohio	138,551	114,568	138,551	37,017	68%	73%
Oklahoma	65,327	65,327	65,327	50,629	22%	22%
Oregon	32,982	32,982	32,982	15,910	52%	52%
Pennsylvania	219,293	126,688	126,688	1,100	99%	99%
Rhode Island	18,405	13,762	14,219	421	97%	97%
South Carolina	90,879	60,296	60,296	18,093	70%	70%
South Dakota	14,284	11,166	11,166	3,598	68%	68%
Tennessee	159,594	104,635	104,635	33,943	68%	68%
Texas	323,519	179,120	179,120	47,507	73%	73%
Utah	13,577	12,291	13,577	4,575	63%	66%
Vermont	8,023	3,568	3,568	2,156	40%	40%
Virginia	105,832	66,821	72,624	15,975	76%	78%
Washington	37,251	0	16,284	0	0%	100%
West Virginia	52,393	40,088	40,088	8,851	78%	78%
Wisconsin	55,310	34,053	55,197	17,960	47%	67%

TABLE 3

ESTIMATES OF ELDERLY POOR PERSONS WITHOUT MEDICAID OR BUY-IN BENEFITS

	Number of Non-Institutionlaized Poor Seniors Meeting Buy-In Criteria	Number of Non-Institutionlaized Poor Seniors Eligible for Buy-In and Not Receiving Medicaid[1]		Number of Non-Institutionlaized Seniors Receving Buy-In Benefits Only	Percent of Eligible Non-Institutionlaized Seniors Without Medicaid or Buy-In Benefits	
		Minimum	Maximum		Minimum	Maximum
Wyoming	4,782	2,973	2,973	305	90%	90%

1. Ranges are presented because it is not possible to know which non-cash Medicaid recipients in states that buy-in these persons have income less than the poverty guideline. The range represents participation rates excluding all non-cash eligibles ("Minimum"), which assumes that all non-cash eligibles have income greater than the poverty guideline, and participation rates including all non-cash eligibles that states buy-in ("Maximum"). To "exclude" these two groups from the estimates of buy-ins, the percent of elderly non-institutionalized Medicaid recipients who receive payments on the basis of Medical Need and other non-cash eligibles who spend-down were calculated and subtracted from the buy-ins on a state-by-state basis.

1991 Medicaid Income and Resource Eligibility Criteria Elderly Individuals and Couples Living in the Community

Medicaid Eligibility Limits - Elderly Individuals Living in the Community, 1991

State	Categorically Needy			Medically Needy			OBRA 86			Buy-in Only		
	Income		Resources	Income		Resources	Income		Resources	Income		Resources
	Monthly Limit	Percent of Poverty (a)		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty	
Average	**$423**	**78%**	**$1,984**	**$377**	**695**	**$4,003**	**$565**	**100%**	**$3,691**	**$550**	**100%**	**$4,000**
Alabama	$407	74%	$2,000	–			–			$552	100%	$4,000
Alaska (b)(d)	$756	109%	$2,000	–			$691	100%	$4,000	$691	100%	$4,000
Arizona	$407	74%	$2,000	–			$552	100%	$4,000	$552	100%	$4,000
Arkansas	$407	74%	$2,000	–			–			$552	100%	$4,000
California	$600	109%	$2,000	$600	109%	$2,000	(c)			$552	100%	$4,000
Colorado	$452	82%	$2,000	–			–			$552	100%	$4,000
Connecticut*	NA		$1,600	$473	86%	$1,600	–			$552	100%	$4,000
Delaware	$407	74%	$2,000	–			–			$552	100%	$4,000
D.C. (e)	$407	74%	$2,600	$426	77%	$2,600	$552	100%	$2,600	$552	100%	$4,000
Florida (d)	$407	74%	$2,000	$167	30%	$5,000	$552	100%	$4,000	$552	100%	$4,000
Georgia	$407	74%	$2,000	$317	57%	$2,000	–			$552	100%	$4,000
Hawaii* (b)(e)	$412	65%	$2,000	$396	63%	$2,000	$634	100%	$2,000	$634	100%	$4,000
Idaho	$477	86%	$2,000	–			–			$552	100%	$4,000
Illinois*	NA		$2,000	$283	51%	$2,000	–			$524	95%	$4,000
Indiana*	$407	74%	$1,500	–			–			$524	95%	$4,000
Iowa	$407	74%	$2,000	$483	88%	$10,000	–			$552	100%	$4,000
Kansas	$407	74%	$2,000	$407	74%	$2,000	–			$552	100%	$4,000
Kentucky	$407	74%	$2,000	$217	39%	$2,000	–			$552	100%	$4,000
Louisiana	$407	74%	$2,000	$100	18%	$2,000	–			$552	100%	$4,000
Maine (e)	$417	76%	$2,000	$416	75%	$2,000	$552	100%	$2,000	$552	100%	$4,000
Maryland	$407	74%	$2,000	$384	70%	$2,500	–			$552	100%	$4,000
Massachusetts (d)	$536	97%	$2,000	$522	95%	$2,000	$552	100%	$4,000	$552	100%	$4,000
Michigan	$438	79%	$2,000	$400	72%	$3,000	–			$552	100%	$4,000
Minnesota*	$420	76%	$3,000	$420	76%	$3,000	–			$552	100%	$4,000
Mississippi (e)	$407	74%	$2,000	–			$525	95%	$2,000	$552	100%	$4,000
Missouri*	$407	74%	$1,000	–			–			$552	100%	$4,000

State	Categorically Needy			Medically Needy			OBRA 86			Buy-in Only		
	Income		Resources	Income		Resources	Income		Resources	Income		Resources
	Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty	
Montana	$407	74%	$2,000	$400	72%	$2,000	--			$552	100%	$4,000
Nebraska* (d)	$431	78%	$2,000	$392	71%	$4,000	$523	95%	$4,000	$552	100%	$4,000
Nevada	$443	80%	$2,000	--			--			$552	100%	$4,000
New Hampshire*	$421	76%	$1,500	$421	76%	$2,500	--			$552	100%	$4,000
New Jersey (d)	$438	79%	$2,000	$350	63%	$4,000	$552	100%	$4,000	$552	100%	$4,000
New Mexico	$407	74%	$2,000	--			--			$552	100%	$4,000
New York	$493	89%	$2,000	$500	91%	$3,000	--			$552	100%	$4,000
North Carolina*	$242	44%	$1,500	$242	44%	$1,500	--			$525	95%	$4,000
North Dakota*	$345	63%	$3,000	$345	63%	$3,000	--			$552	100%	$4,000
Ohio*	$350	63%	$1,500	--			--			$524	95%	$4,000
Oklahoma*	$471	85%	$2,000	$284	51%	$2,000	--			$552	100%	$4,000
Oregon	$409	74%	$2,000	$395	72%	$2,000	--			$552	100%	$4,000
Pennsylvania (e)	$439	80%	$2,000	$425	77%	$2,400	$552	100%	$2,000	$552	100%	$4,000
Rhode Island	$471	85%	$2,000	$558	101%	$4,000	--			$552	100%	$4,000
South Carolina	$407	74%	$2,000	$225	41%	$4,000	$552	100%	$4,000	$552	100%	$4,000
South Dakota	$407	74%	$2,000	--			--			$552	100%	$4,000
Tennessee	$407	74%	$2,000	$183	33%	$2,000	--			$552	100%	$4,000
Texas	$407	74%	$2,000	--			--			$552	100%	$4,000
Utah	$413	75%	$2,000	$350	63%	$2,000	--			$552	100%	$4,000
Vermont	$472	86%	$2,000	$766	139%	$2,000	(c)			$552	100%	$4,000
Virginia*	$407	74%	$2,000	$250	45%	$2,000	--			$552	100%	$4,000
Washington	$435	79%	$2,000	$458	83%	$2,000	--			$552	100%	$4,000
West Virginia	$407	74%	$2,000	$200	36%	$2,000	--			$552	100%	$4,000
Wisconsin	$510	92%	$2,000	$510	92%	$2,000	--			$552	100%	$4,000
Wyoming	$407	74%	$2,000	--			--			$552	100%	$4,000

Medicaid Eligibility Limits - Elderly Couples Living in the Community, 1991

State	Categorically Needy			Medically Needy			OBRA 86			Buy-in Only		
	Income		Resources	Income		Resources	Income		Resources	Income		Resources
	Monthly Limit	Percent of Poverty (a)		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty	
Average	**$635**	**87%**	**$2,993**	**$453**	**62%**	**$5,319**	**$754**	**100%**	**$5,273**	**$737**	**100%**	**$6,000**
Alabama	$610	82%	$3,000	--			--			$740	100%	$6,000
Alaska (b) (d)	$1,120	121%	$3,000	--			$926	100%	$6,000	$926	100%	$6,000
Arizona (d)	$610	82%	$3,000	--			$740	100%	$6,000	$740	100%	$6,000
Arkansas	$610	82%	$3,000	--			--			$740	100%	$6,000
California	$934	126%	$3,000	$934	126%	$3,000	(c)			$740	100%	$6,000
Colorado	$904	122%	$3,000	--			--			$740	100%	$6,000
Connecticut*	NA		$2,400	$629	85%	$2,400	--			$740	100%	$6,000
Delaware	$610	82%	$3,000	--			--			$740	100%	$6,000
D.C. (e)	$702	95%	$3,000	$448	61%	$3,000	$740	100%	$3,000	$740	100%	$6,000
Florida (d)	$610	82%	$3,000	$225	30%	$6,000	$740	100%	$6,000	$740	100%	$6,000
Georgia	$610	82%	$3,000	$375	51%	$4,000	--			$740	100%	$6,000
Hawaii* (b) (e)	$619	73%	$3,000	$531	63%	$3,000	$851	100%	$3,000	$851	100%	$6,000
Idaho	$654	88%	$3,000	--			--			$740	100%	$6,000
Illinois*	NA		$3,000	$358	48%	$3,000	--			$703	95%	$6,000
Indiana*	$610	82%	$2,250	--			--			$703	95%	$6,000
Iowa	$610	82%	$3,000	$483	65%	$10,000	--			$740	100%	$6,000
Kansas	$610	82%	$3,000	$460	62%	$3,000	--			$740	100%	$6,000
Kentucky	$610	82%	$3,000	$267	36%	$4,000	--			$740	100%	$6,000
Louisiana	$610	82%	$3,000	$192	26%	$3,000	--			$740	100%	$6,000
Maine (e)	$625	84%	$3,000	$450	61%	$3,000	$740	100%	$3,000	$740	100%	$6,000
Maryland	$610	82%	$3,000	$425	57%	$3,000	--			$740	100%	$6,000
Massachusetts (d)	$893	121%	$3,000	$650	88%	$3,000	$740	100%	$3,000	$740	100%	$6,000
Michigan	$656	89%	$3,000	$533	72%	$3,000	--			$740	100%	$6,000
Minnesota*	$610	82%	$6,000	$524	71%	$6,000	--			$740	100%	$6,000
Mississippi (e)	$610	82%	$3,000	--			$703	95%	$3,000	$740	100%	$6,000
Missouri*	**$610**	**82%**	**$2,000**	--			--			**$740**	**100%**	**$6,000**

State	Categorically Needy			Medically Needy			OBRA 86			Buy-in Only		
	Income		Resources	Income		Resources	Income		Resources	Income		Resources
	Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty		Monthly Limit	Percent of Poverty	
Montana	$610	82%	$3,000	$400	54%	$3,000	--			$740	100%	$6,000
Nebraska* (d)	$644	87%	$3,000	$392	53%	$6,000	$740	100%	$6,000	$740	100%	$6,000
Nevada	$684	92%	$3,000	--			--			$740	100%	$6,000
New Hampshire*	$611	83%	$1,500	$608	82%	$4,000	--			$740	100%	$6,000
New Jersey (d)	$635	86%	$3,000	$433	59%	$6,000	$740	100%	$6,000	$740	100%	$6,000
New Mexico	$610	82%	$3,000	--			--			$740	100%	$6,000
New York	$712	96%	$3,000	$717	97%	$4,300	--			$740	100%	$6,000
North Carolina*	$317	43%	$2,250	$317	43%	$2,250	--			$702	95%	$6,000
North Dakota*	$400	54%	$6,000	$400	54%	$6,000	--			$740	100%	$6,000
Ohio*	$610	82%	$2,250	--			--			$702	95%	$6,000
Oklahoma*	$674 (f)	91%	$3,000	$359	49%	$3,000	--			$740	100%	$6,000
Oregon	$605	82%	$3,000	$506	68%	$3,000	--			$740	100%	$6,000
Pennsylvania (e)	$659	89%	$3,000	$442	60%	$3,200	$740	100%	$3,000	$740	100%	$6,000
Rhode Island	$731	87%	$3,000	$600	81%	$6,000	--			$740	100%	$6,000
South Carolina	$610	82%	$3,000	$225	30%	$6,000	$740	100%	$6,000	$740	100%	$6,000
South Dakota	$610	82%	$3,000	--			--			$740	100%	$6,000
Tennessee	$610	82%	$3,000	$200	27%	$3,000	--			$740	100%	$6,000
Texas	$610	82%	$3,000	--			--			$740	100%	$6,000
Utah	$622	84%	$3,000	$430	58%	$3,000	--			$740	100%	$6,000
Vermont	$728	98%	$3,000	$766	104%	$3,000	(c)			$740	100%	$6,000
Virginia*	$610	82%	$3,000	$308	42%	$3,000	--			$740	100%	$6,000
Washington	$632	85%	$3,000	$575	78%	$3,000	--			$740	100%	$6,000
West Virginia	$610	82%	$3,000	$275	37%	$3,000	--			$740	100%	$6,000
Wisconsin	$776	105%	$3,000	$592	80%	$3,000	--			$740	100%	$6,000
Wyoming	$610	82%	$3,000	--			--			$740	100%	$6,000

Notes: * 209(b) states; these states may use more restrictive criteria than the SSI standard to determine Medicaid eligibility.

– Option not available in state

NA - Information was not available for Connecticut and Illinois. Illinois determines eligibility by using many different geographic areas. Connecticut determines eligibility using individual specific criteria.

(a) The federal poverty level for 1991 is $6,620 for an individual and $8,880 for a couple.

(b) The federal poverty level for individuals in Alaska is $8,290 and $7,610 for Hawaii. The federal poverty level for couples for Alaska is $11,110 and $10,210 for Hawaii.

(c) OBRA group covered under medically needy.

(d) Eligibility limits are the same for both OBRA 86 and Buy-in Only populations, therefore all buy-in eligible persons get full Medicaid benefits as well as Medicare buy-in benefits.

(e) These states maintain a separate OBRA 86 program for persons at a lower resource level and for Nebraska and Mississippi a lower income level. The Buy-In Only population is eligible for Medicare cost-sharing only and the OBRA 86 population receives both Medicare cost-sharing and full Medicaid benefits.

(f) In Oklahoma, if one spouse is ineligible the categorically needy monthly income limit is $674. If both are eligible the monthly income limit is $738.

Definitions

Categorically Needy
For the elderly and disabled populations, categorically needy persons are persons who receive Supplemental Security Income (SSI). The federal SSI income level is set at $6,620 for an individual in 1991, 74% of the federal poverty guideline, and $8,880 for a couple, 82% of the federal poverty guideline. All states, except 209(b) states, must offer Medicaid coverage to SSI recipients; some states automatically enroll SSI eligible persons and some states require separate applications. SSI beneficiaries are allowed resources of $2,000 or less for an individual and $3,000 or less for a couple, excluding a home, car, personal effects, life insurance policies and burial spaces.

Medically Needy
Persons not eligible for SSI might be eligible for Medicaid under the state optional medically needy program. Medically needy persons incur medical expenses sufficient to reduce their income below the medically needy level. This level may be no higher than 133% of the state Aid to Families with Dependent Children (AFDC) income level. The resource standard may be at any level, and allows the same exclusions as for the categorically needy.

OBRA 86
OBRA 86 gave states the option to offer full Medicaid coverage or buy-in assistance only to elderly and disabled persons with incomes up to 100% of the federal poverty level. All states that chose this option offered full Medicaid coverage. Fifteen states chose to offer coverage, including California and Vermont which already covered this population under their medically needy option. Michigan eliminated its program effective April 1, 1991. Under OBRA 86, the resource standards could be no greater than the medically needy or categorically needy standards.

Buy-in
The Medicare Catastrophic Coverage Act of 1988 and OBRA 90 mandated states to provide buy-in coverage for all elderly and Medicare eligible disabled persons with incomes up to 120% of the federal poverty level. Persons eligible for this coverage are called Qualified Medicare Beneficiaries, or QMBs. **Persons who receive buy-in benefits only are known as buy-ins only or QMBs only.** All categorically needy and other Medicaid eligibible beneficiaries who meet the buy-in criteria are bought into Medicare by Medicaid and get additional Medicaid benefits not covered by Medicare. This mandate was phased-in, with full implementation to be achieved in 1995. Beneficiaries with incomes up to 100% of poverty will be covered in 1991; up to 110% of poverty in 1993 and 1994; and up to 120% of poverty beginning in 1995. For persons with incomes over 100% of poverty, states are required to pay only the Medicare premiums. 209 (b) states had the option of following a slower implementation; Illinois, Indiana, North Carolina, and Ohio chose to follow this slower implementation. The resource standard for Buy-in's Only is twice the national SSI resource standard.

Technical Appendix

TECHNICAL APPENDIX

This technical appendix presents the steps completed in order to estimate a participation rate for Medicare Buy-ins (known as Qualified Medicare Beneficiaries -- QMBs) by state. Two participation rates were estimated -- one for all non-institutionalized elderly persons bought into the Medicare program and one for persons who are buy-ins only, meaning they are not receiving other Medicaid benefits. To calculate participation rates, the eligible population and the number of buy-ins had to be estimated.

In the participation rate for all non-institutionalized elderly persons bought into Medicare, the numerator includes all non-institutionalized elderly persons who meet certain income and asset criteria who were bought into the Medicare program, including those receiving other Medicaid benefits, and the denominator includes all non-institutionalized elderly persons who meet the income and asset criteria. For the participation rate for buy-ins only, the numerator includes all non-institutionalized elderly persons who meet certain income and asset criteria who were bought into the Medicare program and are not receiving other Medicaid benefits and the denominator includes all non-institutionalized elderly persons who meet the income and asset criteria and do not receive other Medicaid benefits.

I. ELIGIBLE POPULATION

The first task was to estimate the population meeting the income and asset criteria for the denominators of the participation rates discussed above. State-by-state estimates of the number of non-institutionalized elderly persons with income below the poverty guideline in 1991 were estimated using data from a pooled data base of four years of March Current Population Survey (CPS) data. These estimates differ from the Bureau of the Census estimates of the number of individuals in poverty for two reasons:

- The income thresholds used in these estimates were based on the poverty guidelines published in the February 20, 1991 Federal Register. The poverty guidelines are a simplified version of the Federal Government's statistical poverty thresholds used by the Bureau of the Census to prepare its statistical

estimates of the number of persons and families in poverty. The poverty income guidelines are issued by the Department of Health and Human Services to be used for administrative purposes, such as determining whether a person or family is financially eligible for assistance or services under a particular Federal program. Unlike the poverty threshold used for statistical purposes, the poverty guidelines are not age dependent. The poverty guidelines for 1991 are $6,620 for single persons ($8,290 in Alaska and $7,610 in Hawaii) and $8,880 for two person families ($11,110 in Alaska and $10,210 in Hawaii). In comparison, the poverty thresholds in 1991 are projected to be approximately $6,520 for a single person age 65 and over and $8,220 for a couple age 65 and over. Also, four of the 209(b) states use 95 percent of the poverty guideline rather than 100 percent. Therefore, for these states, Indiana, North Carolina, Ohio, and Illinois, we estimated the number of non-institutionalized elderly persons below 95 percent of the poverty guideline.

- The definition of income used for these estimates differs from that used by the Bureau of the Census when they define income as a percent of the poverty level. The Census Bureau includes the income of all members of a family in determining income as a percent of the poverty level. In calculating income as a percent of the poverty guideline for these estimates, only the income of the spouses of a married couple where at least one member is age 65 or older and only the income for single individuals for persons age 65 and over were used.

In addition to an income criteria, buy-ins must meet an asset criteria: countable assets less than $4,000 for single persons and less than $6,000 for married persons. Using a national estimate of the percent of single and married persons below the countable asset criteria from the 1984 SIPP (adjusted to 1991), we adjusted the population below the poverty guideline for each state.

II. MEDICARE BUY-INS

Estimates of Medicare buy-ins were provided for May 1991 by the Health Care Financing Administration (HCFA) Bureau of Data Management and Strategy (BDMS). These estimates included certain groups not captured in the eligible population estimates discussed above. In order to estimate an accurate participation rate, some of the groups needed to be excluded from the buy-in estimates. Two groups that needed to be taken out were elderly buy-ins who are institutionalized and persons under age 65 who qualify for Medicare on the basis of a disability and have income less than the poverty guideline. Data from fiscal year

1989 Medicaid 2082 forms, the latest complete information available, were used to adjust the estimates of the number of buy-ins as discussed below.[1]

A. Institutionalized

In order to exclude the institutionalized persons from the buy-in estimates, the percentage of elderly Medicaid beneficiaries who use care provided in an Intermediate Care Facility other than one for the Mentally Retarded (ICF other) was calculated for each state[2] and the percentage subtracted from the number of buy-ins. Elderly persons receiving care from ICF Other care, rather than ICF/MR or SNF services, were used to approximate the percentage of Medicaid buy-ins who were institutionalized because this category would be less likely to double count persons moving in and out of facilities.

All institutional categorical eligibles receiving cash assistance were subtracted from the buy-in estimates. Other institutionalized non-cash beneficiaries were subtracted in states that also bought in non-cash recipients. Percentages by state were used, rather than actual numbers because the Medicaid data are for 1989 and the estimates are based on persons receiving Medicaid during the course of the year, not at one point in time.

B. Disabled Non-Elderly

In order to exclude the disabled non-elderly who are bought in, a national estimate of the number of under 65 disabled who are Medicare and Medicaid eligible and have income less than the poverty guideline was required. We assumed that all disabled persons under age 65 receiving Medicare and Medicaid have income less than the poverty guideline by virtue of the work-related disability requirements tied to SSI. Based on an estimate from

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[1]Adjustments were not made to buy-in data for Arizona because the state did not report Medicaid data from the 2082 forms for Fiscal Year 1989.

[2]The numerator and denominator for the percentage differed dependent upon whether a state buys-in its non-cash recipients. If non-cash recipients are bought in they were included in the numerator and the denominator and a further adjustment described in a later section was also performed.

HCFA's Office of Research and Demonstrations (ORD) (Medicaid Source Book: Background Data and Analyses, November 1988, p.142), we assumed that 20 percent of Medicaid disabled beneficiaries are also eligible for Medicare. 1989 estimates of Medicaid disabled beneficiaries from the 2082 data by state were used, multiplied by 20 percent and then updated to 1991. These estimates were subtracted from the buy-in estimates.

C. Others

Other groups of concern were those who may be bought into the Medicare program but have income that is greater than 100 percent of the poverty guideline; persons who qualify for Medicaid on the basis of being Medically Needy or other spend-down provisions. Because the denominator for the estimates of the number of persons eligible included only those with 100 percent or less of the poverty guideline, we did not wish to include buy-ins with income over the poverty guideline. A difficulty was that we could not positively identify these persons.

Our first task in dealing with this "other" group was to identify states that buy-in their non-cash recipients. Table A presents information provided by the Division of Entitlement Requirements, The Medicaid Bureau of HCFA on which states choose to buy-in non-cash recipients.

Since it is not possible to know which non-cash Medicaid recipients have income less than the poverty guideline a range of participation rates was calculated with the minimum participation rate excluding all non-cash eligibles who spend down in states that buy-in theses groups and the maximum including them all. To "exclude" these two groups from the estimates of buy-ins, the percent of elderly non-institutionalized Medicaid recipients who receive payments on the basis of Medical Need and other non-cash eligibles who spend-down were calculated and subtracted from the buy-ins on a state-by-state basis.

In three states, Alaska, California, and Massachusetts, the percent of Medicaid recipients who receive cash assistance were also excluded from the estimates of the number of buy-ins because the SSI payments, with state supplementation, for singles and couples is greater than the poverty guideline. In California, all Medically Needy recipients were excluded from the estimates of buy-ins because the medically needy income limit in those states is above the poverty guideline for both singles and couples. (Vermont also has medically needy income limits above the poverty guideline, but does not buy in its medically needy recipients.)

III. BUY-INS ONLY

The data from BMDS provided estimates of the number of persons who are buy-ins only. The denominator for a participation rate for buy-ins only is the population under the poverty guideline less our estimates of the number of buy-ins who are not QMBs only (all buy-ins minus buy-ins only). These calculations are also presented as a range because of the treatment of the Medically Needy and other non-cash eligibles who spend-down. For these estimates, we did not adjust the buy-ins only data for the institutionalized and the disabled populations. We did not adjust for institutionalized persons because if a nursing home resident meets the income and asset criteria to be bought in, he or she would also likely be receiving Medicaid payments and therefore would not be a buy-in only. Not adjusting for possible disabled beneficiaries under the age of 65 in the buy-in only estimates somewhat overstates the participation rate (understates the percent eligible but not bought in).

TABLE A
CATEGORIES OF MEDICAID RECIPIENTS BOUGHT INTO THE MEDICARE PROGRAM BY STATE, 1991

	Cash Assistance Recipients Bought In	Non-Cash Assistance Bought In
Alabama[1]	X	
Alaska[1]	X[2]	X
Arizona[1]	X	X
Arkansas	X	X
California	X[2]	X[3]
Colorado[1]	X	X
Connecticut	X	
Delaware[1]	X	
District of Columbia	X	X
Florida	X	X
Georgia[1]	X	X
Hawaii	X	X
Idaho[1]	X	X
Illinois	X	
Indiana	X	X
Iowa	X	X
Kansas	X	X
Kentucky	X	
Louisiana	X	
Maine	X	
Maryland	X	X
Massachusetts	X[2]	
Michigan	X	X
Minnesota	X	

TABLE A
CATEGORIES OF MEDICAID RECIPIENTS BOUGHT INTO THE MEDICARE PROGRAM BY STATE, 1991

	Cash Assistance Recipients Bought In	Non-Cash Assistance Bought In
Mississippi[1]	X	X
Missouri	X	
Montana	X	X
Nebraska	X	
Nevada[1]	X	X
New Hampshire	X	
New Jersey	X	
New Mexico[1]	X	X
New York	X	
North Carolina	X	X
North Dakota	X	
Ohio	X	X
Oklahoma	X	
Oregon	X	X
Pennsylvania	X	
Rhode Island	X	X
South Carolina[1]	X	X
South Dakota[1]	X	
Tennessee	X	
Texas[1]	X	
Utah	X	X
Vermont	X	
Virginia	X	X
Washington	X	X
West Virginia	X	

TABLE A
CATEGORIES OF MEDICAID RECIPIENTS BOUGHT INTO THE MEDICARE PROGRAM BY STATE, 1991

	Cash Assistance Recipients Bought In	Non-Cash Assistance Bought In
Wisconsin	X	X
Wyoming[1]	X	

1. State does not allow spenddown for regular non-institutionalized Medicaid services, according to Edward Neuschler, **Medicaid Eligibility for Frail Elders**, Commonwealth Fund Commission on Elderly People Living Alone, April 1988.

2. Excluded from participation rate calculation because SSI payments with State supplementation are greater than 100 percent of the poverty guideline for singles and couples.

3. Excluded from participation rate calculation because Medically Needy income limit exceeds 100 percent of the poverty guideline for singles and couples.

SOURCES: Division of Entitlement Requirements, Medicaid Bureau, Health Care Financing Administration; and Edward Neuschler, **Medicaid Eligibility for Frail Elders**, Commonwealth Fund Commission on Elderly People Living Alone, April 1988.